

Michigan Council of Self Insured Group Administrators

October 4, 2011

House Commerce Committee
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

Dear Chairperson:

On behalf of the Board of Directors I am writing to express our support for HB 5002.

By way of background MCSIGA is a thirty year old organization that supports self insured groups in Michigan. The Workers' Compensation Act allows two or more employers in the same industry with combined assets of over \$1,000,000 to pool their liabilities for purposes of qualifying as a self insurer. Currently there are 31 groups operating in the State. Among others our membership includes the Michigan Restaurant & Lodging Fund, Associated Builders & Contractors Fund, Michigan Timberman's Fund, Michigan Retail Hardware Fund, etc. Collectively SIG's provide workers' compensation coverage to over 8,000 employers, most of whom are private small businesses or governmental entities.

We feel the Michigan Workers' Compensation Act is in desperate need of revision to reflect the many changes that have occurred over time. HB 5002 will serve to benefit both business and injured workers by establishing a more efficient system. The revisions will help stabilize, clarify, and modernize the Act.

Our members and the small employers they represent face many challenges, the least of which should be trying to interpret an ambiguous workers' compensation system. HB 5002 addresses the ambiguity that exists in the system. It acknowledges advancements in medical technology and takes into account the economic changes that can occur. It codifies current case law clarifying confusion over things like:

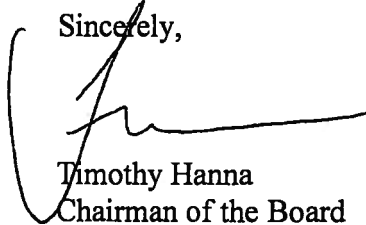
- The distinction between total disability and partial disability
- Compensation for "personal injury" arising out of and in the course of employment vs. personal injury not connected to employment
- "Wage earning capacity" and "wage loss"
- Compensability for mental disabilities when not caused by physical trauma

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The bottom line is that it creates more predictability in the workers' compensation system for both employers and injured workers. A more predictable workers' compensation makes the State far more attractive for job expansion and job creation.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'Timothy Hanna', written over a large, stylized, handwritten letter 'C' that serves as a flourish or initial.

Timothy Hanna
Chairman of the Board